

m6049/032



STAKER | PARSON
C O M P A N I E S

February 9, 2004

D. Wayne Hedberg
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Ekins- East Leased Property near Genola, Utah

Dear Mr. Hedberg:

As you know, Intermountain Aggregates Corporation, a subsidiary of U.S. Aggregates, operated the referenced gravel pit until U.S. Aggregates declared bankruptcy. Staker & Parson Companies acquired the bulk of U.S. Aggregate's assets from the Bankruptcy Court and in the process acquired the rights to the referenced lease.

Since acquiring the lease, Staker & Parson Companies has wondered what it should do with the property. In the last construction year, it did not undertake any extraction work, but rather removed only 129 tons of material that had been previously crushed. After some deliberation, Staker & Parson Companies has come to the conclusion that it will terminate its leasehold rights in the property. Because the DOGM plan contemplated a 50 year life for the gravel operation on the property, of which the bulk of the life remains, it is highly probable that the owners of the property, namely the Shirl L. Ekins Family Trust will want to release the property to another gravel operator. Under those circumstances, it is highly probable that a new lessee would want to assume the DOGM plan and replace the existing bond with their own bond. Therefore, it does not lie with Staker & Parson Companies to suggest that the pit is presently ready to be reclaimed.

The sole reason for this letter is because Staker & Parson Companies has been given a deadline in which to replace the existing bond and do a name transfer, which it now has decided it will not do. As soon as the owners of the property have determined what they wish to do with regard to a continuation of the gravel pit on the property, either they or we will inform you of the same. At that time the appropriate party can then make whatever arrangements necessary with DOGM relative to the further use of the property. If the decision is made by the owner to cease all excavation or any other further mining, Staker & Parson Companies will undertake such reclamation work as it is obligated to do under the lease agreement.

Sincerely,

Staker & Parson Companies

Michael Dalley
Environmental Affairs

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